



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

STATIONARY SOURCE COMPLIANCE

Small Business and Consumer Products

DATE: March 15, 1994
TO: Small Business and Consumer Products Permit Processing Staff
FROM: William J. Fray /s/ WJF
SUBJECT: Permit Processing Procedures for Earthquake Related Applications

As a result of the recent earthquakes, many companies have suffered equipment and/or facility losses. In order to minimize further losses, the District is implementing special permit processing procedures to facilitate a rapid return to business for these companies. These special procedures involve Regulation III and expedited permit processing. In general, it is the District's intention not to add more restrictive conditions to new permits, which are required as a result of equipment replacement and/or relocation, that the previous permits contained.

Under rule 1304(a)(1), functionally identical equipment is exempt from the offset and modeling requirements in Rule 1303 if there is no increase in maximum rating, no increase in the potential to emit any air contaminant, and the equipment includes BACT. Equipment with a larger maximum rating can still be considered functionally identical equipment if the equipment's rating is limited to the previous rating through enforceable permit conditions. For example, a five million BTU per hour boiler could be considered to be a functionally identical replacement for a four million BTU per hour boiler if conditions were added to the new permit limiting the new boiler to the maximum fuel usage of the old boiler. A fuel meter would have to be installed and records kept to ensure the new boiler's firing rate did not exceed the old boiler's maximum firing rate. If you have any questions regarding the applicability of this option, please discuss the situation with your manager.

For companies that had equipment destroyed or damaged in the earthquake and plan to replace the equipment with functionally identical equipment at the same business location, applications are to be filed and new permits obtained. In these cases, Rule 301(c)(5) specifies that no permit processing fees will be assessed. In addition, the new permits will be issued with the same conditions and limitations that the previous equipment had. However, outdated permit conditions may need to be updated to reflect current Regulation IV and XI rule requirements. If emission levels are not increasing, the companies will be typically exempt from the notice requirements of Rule 212 by the language in 212(c)(1) and (c)(3).

Basically, if the processes and throughputs are not being modified, these companies will not be subject to any new requirements they did not have for their existing equipment as a result of the earthquake. Of course for identical replacements, no applications are required under the exemption of Rule 219(c)(3).

For companies that had their buildings damaged, condemned, or destroyed and need to relocate to continue their business either by moving their existing equipment or by installing new functionally identical equipment, applications are to be submitted and new permits obtained. In these cases, Rule 301(c)(5) specifies that no permit processing fees will be assessed. If the relocation meets the sensitive zone requirements specified in Rule 1303(b)(2), offsets will not be required provided the conditions limiting emissions are consistent with their previous permit. If the relocation does not meet the sensitive zone requirements in Rule 1303(b)(2), the equipment will be required to meet the normal requirements of Regulation XIII.

Needless to say, we will expedite the processing of these applications to the maximum extent possible. These companies and people have faced enough problems and we need to implement these procedures to ensure that meeting our requirements minimizes their burden. If you have any questions regarding these directions, please discuss them with your manager.

Thank you for your assistance in implementing these permitting procedures.

FEL

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